

Policy Title: Capital Project Approval Process

Policy Summary: Process for Approving and Implementing Capital Projects

Policy Category: Administration & Operations

Policy Owner: Facilities Planning & Management

Policy Summary

This policy establishes a formal process for approving and implementing Capital Projects at Drake University.

Purpose

To establish a formal process for the identification, prioritization, approval, development, and delivery of Capital Projects.

Scope

This policy applies to all Capital Projects as defined in this policy.

Definitions

Capital Project – Subject to the exclusions below, a Capital Project provides for the construction, repair, or improvement of buildings or grounds, including new construction, additions, renovations, exterior signage, repairs, safety and ADA modifications, and major equipment, and furniture installations. Exclusions include:

1. Major technology system upgrades or projects that are exclusively technology based. These projects are managed separately by Information Technology Services (ITS).
2. Deferred maintenance or major building repairs, which are managed by a prioritization process led by Facilities Planning & Management and submitted annually to the Board of Trustees.
3. Classroom upgrades, which are jointly managed by ITS and Facilities Planning & Management, and are subject to a master upgrade plan and a separate prioritization process.
4. Small projects, including the purchase of equipment and furniture, with a total budget of less than \$5,000. These projects are managed through Facilities Planning & Management using the work order request system.

Capital Planning Committee – the Committee responsible for reviewing Capital Project requests and approving projects for completion.

Members Include:

- Provost
- Chief Administration Officer
- Chief Financial Officer
- Executive Director, Facilities Planning & Management
- Planning and Design Manager
- Facilities Planning & Management Project Manager

Project Feasibility Analysis – A preliminary analysis conducted by Facilities, Planning and Management regarding a project’s feasibility and estimated cost.

Project Request Form – The form required to initiate a request for a Capital Project or Project Feasibility Analysis.

Project Sponsor – The individual responsible for the Capital Project request submission.

Senior Level Administrator – Senior Level Administrator refers to those administrators with responsibility for multiple departments and who report directly to the President.

Policy

Approval Authority

All Capital Projects must be approved by the Capital Planning Committee and managed by Facilities Planning and Management. Capital projects over \$1 million or that significantly alter a feature or building of the campus require Board of Trustees approval.

Project Feasibility Analysis

Departments may request a Project Feasibility Analysis by submitting a Project Request Form. Before Facilities, Planning and Management undertakes any work on a Project Feasibility Analysis, there must be a reasonable likelihood the project will be funded and considered for completion, as evidenced by an identified source of funding and senior level administrator approval.

Project Capital Funding Requirements

As part of Capital Project approval process, funding must be identified and confirmed in writing with the Office of Finance prior to the signing of any design or construction contracts.

Sources of funding may include, but are not limited to, school/college/department operating budgets, donor funds held in restricted funds, endowment funds available to be spent, and grants. The identification of the source of funding as part of a project request should include the specifics of where the funds will come from, including fund numbers and/or FOAPALs. For Capital Project the sources of funding should cover the full projected cost, including the contingency and project management fee.

In cases where the funding of a Capital Project requires approval through the University's annual budget process, Facilities Planning & Management involvement is necessary prior to the budget request submission to ensure sufficient funding is requested during the budget approval process. This process begins with submission of a Project Request Form.

Project Request Form

To begin the Capital Project planning process, an electronic Project Request Form must be submitted to Facilities Planning and Management. If the project does not qualify as a Capital Project or the form is otherwise deficient or incomplete, Facilities, Planning and Management will notify the Project Sponsor of the need for resubmission.

Project Request Timeline

The Capital Project Planning Committee will review requested projects three times a year, pursuant to the following schedule:

| Request Deadline | Committee Review |
|------------------|------------------|
| February 1 | March |
| June 1 | July |
| December 1 | January |

Scheduling Projects

If approved by the Capital Project Committee, a schedule for completion will be established by Facilities Planning and Management in consultation with the Project Sponsor. Most small and medium size projects require six to 12 months of planning time, while large projects require significantly longer planning timelines. Capital Project implementation may be subject to other considerations, such as availability of internal Facilities Planning and Management resources and capacity, city permitting or zoning processes, Board of Trustees approval, and scheduling the work at a time that is least disruptive to the campus community.

Capital Project Planning Committee Review

The Capital Planning Committee will review submitted project requests. The Capital Planning Committee considers a variety of factors in determining whether to approve such a request, including:

- How well does the project align with University strategy and mission?
- How well does the project support new or growing programmatic needs?
- What is the proposed composition and availability of funding sources?
- What are the project's benefits when compared to the project's costs?
- Does the project advance the sustainability goals of the institution?

Project Sponsors will be notified if their requested project is approved.

Budgeting

A preliminary budget will be developed by Facilities Planning and Management for all approved Capital Projects and shared with the Project Sponsor. All budgets will include contingency and a project management fee.

Once a Project Request has been authorized to proceed to Design and Construction, a Capital Project Number will be assigned through the Office of Finance. That project number and any associated FOAPAL numbers will be recorded in the project file and made accessible to the Facilities Budget Manager for payment processing.

It may be necessary to engage an outside consultant to capture design intent and/or pricing for the proposed project. If needed, the Capital Planning Committee will request funds be made available by the Project Sponsor to capture the appropriate feasibility information needed.

Before a project may proceed to construction, the Chief Financial Officer or designee must confirm the availability and sufficiency of the identified funding source(s) in writing.

Project Management Fee

Each approved Capital Project budget will include a construction management fee of 1%, with a minimum charge of \$1,000.

Responsibility for Design and Construction Contracts

The procurement of architectural services, engineering services, construction managers, contractors and any specialized consultants related to the planning, design and construction of University facilities are the responsibility of Drake Facilities Planning & Management. The cost of such services shall be incorporated into the project budget.

During all stages of design and construction Facilities Planning & Management will adopt processes and structures to ensure ongoing communication and collaboration with the Project Sponsor, applicable Senior Level Administrator and appropriate project stakeholders (such as building occupants). In some cases, such as larger construction projects, a formal steering committee will be formed for this purpose.

The Project Sponsor shall designate a responsible individual, such as a Budget Manager or Building Contact, to work with Facilities, Planning and Management in project decisions and the approval of project expenses.

Construction Phase

Project construction will begin after bids have been received and Facilities Planning and Management has confirmed the scope of the project is within the approved project budget. If the project bids come in over budget, Facilities Planning & Management will work with the Design and Construction team and Project Request team to conduct a value analysis to reduce scope and manage the project timeline to meet the project budget.

Project Closeout

At the completion of the Project, Facilities Planning and Management will send a project summary to all parties involved including the Project Sponsor, the applicable Senior Level Administrator, the Capital Planning Committee and other key stakeholders. The summary will highlight the scope of work completed, timeline and budget review.

60 Day Adjustment Period

After substantial completion, there shall be no additional changes, including furniture placement, for a period of 60 days. Thereafter, occupants may request a review by FPM to determine if adjustments are feasible

Capitalization

In most cases, six months after a project is substantially complete and can be used for its intended purpose, the final reporting and capitalization process for the project will occur. The Chief Financial Officer or their designee may approve requests to extend the capitalization period due where good cause exists for such an extension.

Remaining Funds

If funds remain at the conclusion of the project, additional scope changes or improvements shall be submitted under a new Project Request Form.

Last Review Date: November 2023

Effective Date: February 2021